

YAMPA

250591	45C	5408	1955	129	\$303.15	\$303.15	\$0.00
250591	45C	5408	1956	19	\$44.65	\$44.65	\$0.00
250591	45C	5408	1990	10,000	\$24,200.00	\$11,957.93	\$12,242.07
250591	45C	5408	1995	10,504	\$42,016.00	\$11,121.45	\$30,894.55
CABLE 0100PR 24G 0089-0125PR		TOTAL AIC: 5408		20,652	\$66,563.80	\$23,427.17	\$43,136.63
250591	45C	5412	1975	882	\$1,005.48	\$880.94	\$124.54
250591	45C	5412	1978	1,500	\$1,710.00	\$1,406.77	\$303.23
250591	45C	5412	1979	76	\$86.64	\$69.45	\$17.19
250591	45C	5412	1987	53	\$312.17	\$188.98	\$123.19
CABLE 0100PR 26G 0089-0125PR		TOTAL AIC: 5412		2,511	\$3,114.29	\$2,546.14	\$568.15
250591	45C	5434	1969	50	\$130.00	\$123.05	\$6.95
250591	45C	5434	1990	30	\$113.70	\$56.18	\$57.52
250591	45C	5434	1991	25	\$151.25	\$68.48	\$82.77
250591	45C	5434	1995	3,188	\$23,304.28	\$6,168.54	\$17,135.74
CABLE 0200PR 22G 0176-0250PR		TOTAL AIC: 5434		3,293	\$23,699.23	\$6,416.26	\$17,282.97
250591	45C	5436	1976	15	\$25.05	\$21.54	\$3.51
250591	45C	5436	1995	9,125	\$70,627.50	\$18,694.79	\$51,932.71
CABLE 0200PR 24G 0176-0250PR		TOTAL AIC: 5436		9,140	\$70,652.55	\$18,716.33	\$51,936.22
250591	45C	5438	1972	40	\$95.20	\$87.27	\$7.93
250591	45C	5438	1975	381	\$906.78	\$794.47	\$112.32
250591	45C	5438	1976	30	\$71.40	\$61.39	\$10.01
250591	45C	5438	1978	2,775	\$6,604.50	\$5,433.32	\$1,171.18
250591	45C	5438	1990	114	\$379.62	\$187.58	\$192.04
CABLE 0200PR 26G 0176-0250PR		TOTAL AIC: 5438		3,340	\$8,057.50	\$6,564.03	\$1,493.47
250591	45C	5466	1972	147	\$527.73	\$483.76	\$43.97
CABLE 0400PR 26G 0351-0425PR		TOTAL AIC: 5466		147	\$527.73	\$483.76	\$43.97
250591	45C	5488	1995	4,363	\$34,947.63	\$9,250.48	\$25,697.15

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	CABLE 0600PR 24G 0501-0750PR		TOTAL AIC: 5488		4,363	\$34,947.63	\$9,250.48	\$25,697.15
			TOTAL FRC: 45C		486,247	\$1,119,897.67	\$499,895.98	\$620,001.69
			TOTAL ACCOUNT: 2423 BURIED CABLE MET		486,247	\$1,119,897.67	\$499,895.98	\$620,001.69
250591	2423 BURIED CABLE NON MET	845C	5072	1995	15,410	\$39,141.40	\$9,436.65	\$29,704.75
	CABLE FIBER OPTIC 0072 FIBERS		TOTAL AIC: 5072		15,410	\$39,141.40	\$9,436.65	\$29,704.75
			TOTAL FRC: 845C		15,410	\$39,141.40	\$9,436.65	\$29,704.75
			TOTAL ACCOUNT: 2423 BURIED CABLE NON MET		15,410	\$39,141.40	\$9,436.65	\$29,704.75
250591	2426 INTRA BLDG CA MET	62C	5362	1995	25	\$202.25	\$59.22	\$143.03
	CABLE 0025PR 24G 0021-0038PR		TOTAL AIC: 5362		25	\$202.25	\$59.22	\$143.03
250591		62C	5366	1986	38	\$250.42	\$180.87	\$69.55
	CABLE 0025PR 26G 0021-0038PR		TOTAL AIC: 5366		38	\$250.42	\$180.87	\$69.55
			TOTAL FRC: 62C		63	\$452.67	\$240.09	\$212.58
			TOTAL ACCOUNT: 2426 INTRA BLDG CA MET		63	\$452.67	\$240.09	\$212.58
250591	2431 AERIAL WIRE	3C	2900	1901	27,914	\$2,233.12	\$2,233.12	\$0.00
	WIRE AERIAL 0000PR SINGLE CONDUCT		TOTAL AIC: 2900		27,914	\$2,233.12	\$2,233.12	\$0.00
250591		3C	2901	1901	3,282	\$1,378.44	\$1,378.44	\$0.00
	WIRE AERIAL 0001PR 0001-0002PR		TOTAL AIC: 2901		3,282	\$1,378.44	\$1,378.44	\$0.00

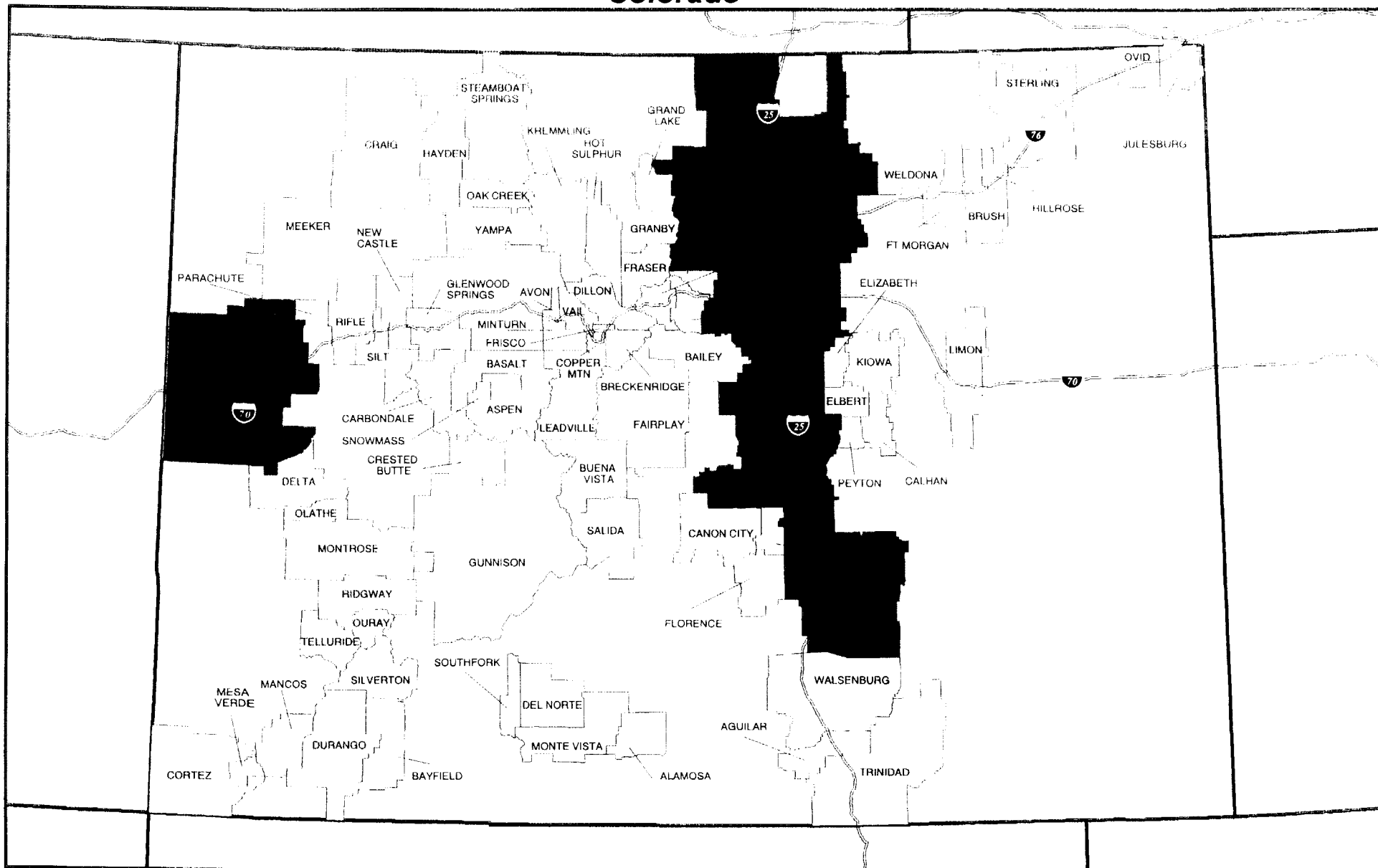
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TOTAL FRC: 3C					31,196	\$3,611.56	\$3,611.56	\$0.00
TOTAL ACCOUNT: 2431 AERIAL WIRE					31,196	\$3,611.56	\$3,611.56	\$0.00
250591	2441 CONDUIT SYSTEMS	4C	2601	1979	17	\$88.23	\$26.38	\$61.85
250591		4C	2601	1985	160	\$1,454.40	\$330.14	\$1,124.26
250591		4C	2601	1995	1,600	\$22,480.00	\$1,617.98	\$20,862.02
CONDUIT 001 DUCT		TOTAL AIC: 2601			1,777	\$24,022.63	\$1,974.50	\$22,048.13
250591		4C	2602	1979	10	\$58.90	\$17.61	\$41.29
CONDUIT 002 DUCT		TOTAL AIC: 2602			10	\$58.90	\$17.61	\$41.29
250591		4C	2606	1982	281	\$7,825.85	\$2,129.36	\$5,696.49
CONDUIT 006 THRU 007 DUCT		TOTAL AIC: 2606			281	\$7,825.85	\$2,129.36	\$5,696.49
TOTAL FRC: 4C					2,068	\$31,907.38	\$4,121.47	\$27,785.91
TOTAL ACCOUNT: 2441 CONDUIT SYSTEMS					2,068	\$31,907.38	\$4,121.47	\$27,785.91
TOTAL LOCATION: 250591					551,414	\$1,254,140.73	\$562,031.77	\$692,108.96
GRAND TOTAL					551,414	\$2,402,957.15	\$1,189,509.07	\$1,213,448.08

ATTACHMENT C

MAP

Colorado







**U S WEST Wire Centers
in Rural Areas
Rural Optimization Project**

USWEST



Legend

-  U S WEST Rural
-  U S WEST Proposed Transaction
-  U S WEST MSA
-  Highway

20 0 20 40 Miles

USWEST



G. Simon Ebner (303) 965-1640
cs@uswest.com

Final Map 5/1/96

ATTACHMENT D
STATE ORDERS AND LETTERS

Decision No. R00-835

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 00A-128T

AUG - 4 2000

IN THE MATTER OF THE JOINT APPLICATION OF U S WEST
COMMUNICATIONS, INC. AND CITIZENS TELECOMMUNICATIONS
COMPANY OF COLORADO REGARDING THE SALE AND TRANSFER OF
CERTAIN TELEPHONE EXCHANGES

RECOMMENDED DECISION OF
ADMINISTRATIVE LAW JUDGE
WILLIAM J. FRITZEL
GRANTING APPLICATION
AND APPROVING STIPULATION

Mailed Date: August 3, 2000

I. STATEMENT

A. This joint application was filed on March 8, 2000 by Qwest Corporation, formerly known as U S WEST Communications, Inc. ("Qwest"), and Citizens Telecommunications Company of Colorado ("CTC") seeking, among other things, Commission approval of the sale and transfer to CTC of certain Qwest telecommunications properties in the State of Colorado. The Commission gave notice of the application on March 14, 2000. On April 13, 2000 and May 4, 2000, respectively, the Office of Consumer Counsel ("OCC") and the Staff of the Commission ("Staff") intervened and made requests for hearing in this matter.

B. By minute entry on April 26, 2000, the Commission deemed the Joint Application complete.

C. The matter was originally scheduled for a hearing to be held on June 20, 2000. However, that hearing was vacated and the matter was rescheduled to permit the parties a limited amount of additional time to pursue settlement.

D. On June 21, 2000, Qwest, CTC, OCC and the Staff (collectively, the "Parties"), executed a Stipulation and Agreement in Settlement and Resolution of Proceedings ("Stipulation"). On June 23, 2000, the Parties filed a joint motion with the Commission requesting approval of the Stipulation.

E. On July 5, 2000, by Decision No. R00-741-I, the undersigned Administrative Law Judge set the Stipulation for hearing.

F. A hearing on the Stipulation was held on July 7, 2000, at which time testimony from the Parties in support of the Stipulation was received into evidence. The Stipulation as well as the Joint Application were also properly admitted into evidence so as to become part of the Commission's official record in this proceeding.

G. Pursuant to § 40-6-109, C.R.S., the record and a written recommended decision is transmitted to the Commission.

II. FINDINGS AND CONCLUSIONS

A. On March 8, 2000, Qwest and CTC filed a Joint Application requesting an Order from the Commission: (1) approving the terms and conditions of the sale and transfer of the following 17 Colorado exchanges from Qwest to CTC: Alamosa, Buena Vista, Calhan, Crested Butte, Del Norte, Fairplay, Gunnison, Julesburg, Meeker, Mesa Verde, Monte Vista, Oak Creek, Ovid, Peyton, Salida, Southfork and Yampa (the "Exchanges");¹ (2) finding that the proposed sale of the exchanges and the associated transfer of a portion of Qwest's certificate, operating authority and certificate of public convenience and necessity ("CCN") to CTC is consistent with the public interest and should be approved; (3) deleting the Exchanges being transferred to CTC from Qwest's service territory and Qwest's certificate, operating authority and CPCN, and issuing a new certificate, operating authority and CPCN to CTC for these Exchanges; (4) designating CTC as an Eligible Telecommunications Carrier pursuant to §214 of the 1996 Telecommunications Act and Rule 4 Code of Colorado Regulations ("CCR") 723-42 of the Commission's Rules for the Exchanges being transferred to CTC; (5) designating CTC as an

¹ Although the purchase agreement signed by the companies also identifies Leadville as one of the exchanges being acquired by CTC, the companies subsequently agreed to remove that exchange from the list of exchanges being sold.

Eligible Provider for purposes of the Colorado High Cost Administration Fund in the Exchanges being transferred to CTC; (6) allowing Qwest to relinquish its Eligible Telecommunications Carrier status, Eligible Provider status, and Provider of Last Resort status in the Exchanges being transferred to CTC; (7) affirming that the Commission does not object to the granting of study area waivers by the Federal Communications Commission ("FCC"), or to any reconfiguration of study area boundaries for the Exchanges; (8) authorizing CTC to operate under the Qwest price regulation plan with the modifications noted in the Application; (9) granting certain requested waivers; and (10) granting such other and further relief as the Commission may deem just and reasonable in this matter.

B. The Joint Application was accompanied by the supporting information as required by the Commission's rules. In addition, Qwest and CTC submitted the prefiled Direct Testimony of Paul R. McDaniel on behalf of Qwest, and F. Wayne Lafferty and William C. O'Neill on behalf of CTC in support of the relief requested in the Joint Application. The Joint Application, together with the prefiled testimony and all other exhibits was admitted into evidence during the July 7, 2000 hearing as Hearing Exhibit No. 1.

C. This Commission has jurisdiction over the parties and the subject matter in this docket pursuant to §§ 40-5-105, 40-

15-202, 40-15-204, 40-15-302, 40-15-303, 40-15-502, and 40-15-503, C.R.S.

D. The Commission gave proper legal notice of the Joint Application on March 14, 2000.

E. On April 13, 2000 and May 4, 2000, respectively, the OCC and the Staff intervened and made requests for hearing in this matter.

F. On June 21, 2000, CTC, Qwest, Staff, and the OCC entered into a comprehensive resolution of all issues raised in this Joint Application as reflected in the Stipulation. All parties to this Docket are parties to the Stipulation. The Stipulation was filed with the Commission, along with a joint motion requesting approval of same, on June 23, 2000. The Stipulation was admitted into evidence during the July 7, 2000 hearing as Hearing Exhibit No. 2. A copy of the Stipulation is attached to this Recommended Decision as Exhibit A.

G. The Stipulation covers not only the sale and transfer of the Exchanges, but also contains, among other things, additional terms and conditions that are directed at capital investment, service quality, reporting requirements, pricing, and interconnection.

H. More specifically, the Stipulation implements a four-year service quality incentive plan for CTC that includes implementation of service guarantees and automatic prospective

remedies for non-compliance. The Stipulation also includes a \$20,000,000 infrastructure investment commitment by CTC over a four-year period, including a commitment to expend not less than \$7,000,000 of that amount by the second anniversary of the effective date of the plan described in the Stipulation.

I. In addition, the Stipulation provides that CTC will adopt Qwest's price ceiling, price lists, and terms and conditions for regulated services applicable in the Exchanges as same exist at the time of closing, including specific bill credits for local number portability (with certain limited exceptions) and the Colorado High Cost support Mechanism. These provisions serve to, in effect, hold customers in the Exchanges harmless from pricing changes as a result of the sale for a fixed period of time. The Stipulation further provides that CTC will not seek to increase price ceilings and individual prices for basic local exchange access and intrastate switched access services for a period of one year.

J. The Stipulation also provides for implementation of a four-year price regulation plan for CTC that includes price ceilings, price lists, contracting flexibility, and the ability to bundle and package services. This plan is consistent with price regulation that has previously been approved by the Commission as in the public interest and consistent with the

policy of the State of Colorado to foster, encourage, and accelerate a competitive telecommunications marketplace.

K. In the Stipulation, CTC affirms that it intends to negotiate interconnection agreements with all telecommunications service providers that have Commission-approved interconnection agreements with Qwest and for which Qwest provides interconnection services in the Exchanges. In the event that CTC is not able to reach agreement with any such provider prior to closing, CTC agrees as an interim measure to provide interconnection services to that provider according to the terms of, and for the duration of, Qwest's approved interconnection agreement with that provider, or until CTC and that provider are able to reach a new agreement.

L. The Stipulation provides that its terms do not change or modify the terms and conditions of the Stipulation and Settlement Agreement executed and approved by the Commission in PUC Docket No. 97A-540T, In The Matter of The Application of U S WEST Communications, Inc. For Specific Forms of Price Regulation.

M. In the Stipulation, Qwest agrees that it will not change the price ceilings or tariffed prices for its jurisdictional services as a direct result of any gain or loss realized from this transaction.

N. A hearing on the Stipulation was held on July 7, 2000. During the course of the hearing testimony from each party was offered in support of the Stipulation.

O. CTC has demonstrated that its purchase and subsequent ownership and operation of the Exchanges is in the public interest, and that it possesses the financial, technical, and operational qualifications to provide regulated telecommunications services to customers within the Exchanges. This transaction brings a new telecommunications provider to Colorado. Through its parent, Citizens Communications, CTC has over 65 years of experience in the telecommunications industry, with particular expertise in serving rural communities. The Exchanges being acquired by CTC in this transaction are of a similar size, type, and geographical character as other exchanges that CTC owns in other states.

P. CTC has committed to make a substantial capital investment in the Exchanges. This is designed to improve the quality of service for customers in the Exchanges. In addition, CTC has agreed to implement a service quality incentive plan, similar to that currently in place relative to Qwest's operations in the Exchanges. The record also indicates that CTC intends to provide a level of staffing for its Colorado operations in the Exchanges that exceeds the level of Qwest's current staffing for the Exchanges. Each of these factors

ensures that customers in the Exchanges will be at least as well off, if not better off, than would be the case had they continued to receive service from Qwest.

Q. The Stipulation provides that CTC will charge its customers the same rates that Qwest is charging those customers at the time of closing, subject to the few limitations contained in the Stipulation. In addition, the Stipulation contains protections against subsequent rate increases. Consequently, the benefits that customers previously received from this Commission's approval of the rate reductions and foregone revenues in the Qwest pricing flexibility plan in PUC Docket No. 97A-540T will not be diminished as a result of this transaction.

R. The form of price regulation to be applied to CTC for its regulated service in the Exchanges is consistent with the policy of the State of Colorado to foster the development of flexible regulatory treatment for telecommunications services.

S. Qwest has demonstrated that its sale of the Exchanges is in the public interest. Such sale will permit Qwest to better deploy its resources to meet customer demands and competition and to maintain and improve the service quality of its remaining service areas. Likewise, because CTC is a telecommunications company that specializes in the provision of

service to rural customers, customer needs will be better met by approval of the sale transaction.

T. Both CTC and Qwest have already undertaken significant efforts, through a series of public meetings and open houses, that were intended to advise customers of Qwest's transfer and sale of the Exchanges to CTC. In addition, meetings have been held with various municipal governmental agencies in the Exchanges. The evidence presented at hearing indicates that customer response to the proposed transaction has been positive. In addition to these measures, CTC and Qwest intend to give customers in the Exchanges additional notice of the purchase and sale, upon Commission approval of the Joint Application and the companies have agreed to share a copy of this notice with Staff and OCC in advance of mailing and to work with Staff and OCC so that the notice is reflective of Staff and OCC's comments.

U. Qwest will account for the sale of the subject exchanges on its books of account pursuant to the requirements of the Uniform System of Accounts applicable to the sale of plant with traffic.

V. The Stipulation is reasonably structured to ensure that customers in the Exchanges will be in as good of a position, if not better, once the sale and transfer occurs. The Stipulation is just, reasonable, and in the public interest and it should be approved.

W. Amendment of Qwest's Certificate to remove the Exchanges from its service territory upon completion of the sale is just, reasonable, and in the public interest.

X. The issuance of a new certificate, operating authority, and CPCN to CTC upon the completion of the sale for the provision of regulated telecommunications service to customers within the Exchanges is just, reasonable, and in the public interest.

Y. With respect to the request for approval of the waivers agreed to in the Stipulation, those requests should be granted. Specifically, CTC and Qwest are granted a waiver of Rules 4 CCR 723-35-6.1.1 and 4 CCR 723-42-7.2.2 governing the filing of a metes and bounds description of the area within which the Exchanges are located. A strict application of these rules is impracticable and unreasonable given that the preparation of a metes and bounds description of these areas would be extremely difficult, time consuming, and costly to prepare. Therefore, Rules 4 CCR 723-35-6.1.1 and 4 CCR 723-42-7.2.2 should be waived as requested by the Parties to the Stipulation.

Z. CTC and Qwest are granted a waiver of Rules 4 CCR 723-1-57 and 4 CCR 723-36 of the Commission's Rules of Practice and Procedure governing abandonment, discontinuance, or curtailment of service, to the extent such rules are applicable. A strict

application of these rules is impracticable, unreasonable, and unnecessary and therefore they are waived as necessary to effect the Stipulation.

AA. CTC and Qwest are granted a waiver of Rule 4 CCR 723-2-25 governing the change of presubscription, to the extent such rule is applicable. A strict application of this rule is impracticable, unreasonable, and unnecessary and therefore it is waived as necessary to effect the Stipulation.

BB. In the Stipulation, the Parties request that the Commission expressly state in its order that it has no objection to the FCC granting any necessary study area waivers, nor to any reconfiguration of any study area boundaries for the Exchanges. This request is reasonable and the Commission's Order should include such a statement of non-opposition.

CC. The Stipulation provides that CTC will make a compliance filing with the Commission (on not less than one day's notice) for the purpose of implementing the price ceilings, prices, and terms and conditions of regulated telecommunications service provided by CTC after the sale and transfer of the Exchanges. The compliance filing will be in a form and content that is the same in all material respects to that contained in Exhibit K to the Joint Application. Qwest will likewise make a compliance filing with the Commission (also on not less than one day's notice) for the purpose of

implementing changes to its tariffs and price lists reflecting that the tariffs and price lists are no longer applicable to the Exchanges.

DD. Having considered the Stipulation, as well as the evidence submitted in support thereof during hearing, along with the Joint Application and supporting testimony, exhibits and affidavits on file with the Commission, it is recommended that the Commission approve the Stipulation as filed, without modification, and grant the application consistent with the undersigned Administrative Law Judge's bench ruling issued at hearing on July 7, 2000. In accordance with § 40-6-109, C.R.S., it is recommended that the Commission enter the following order.

III. ORDER

A. The Commission Orders That:

1. The Joint Application and supporting exhibits are admitted into evidence in this docket so as to become part of the Commission's official record in this proceeding.

2. The Stipulation filed by the parties on June 23, 2000, a copy of which is attached to this Recommended Decision as Exhibit A, is accepted and approved without modification.

3. The Joint Application, as modified by the Stipulation, is approved.

4. Upon closing, the Qwest Corporation formerly known as U S WEST Communications, Inc., Certificate, operating authority, and certificate of public convenience and necessity should be amended to exclude the Exchanges from Qwest Corporation formerly known as U S WEST Communications, Inc.'s service territory in Colorado and that a new Certificate be issued to Qwest Corporation formerly known as U S WEST Communications, Inc., to reflect such changes.

5. Upon closing, Citizens Telecommunications Company of Colorado be issued a new certificate, operating authority and certificate of public convenience and necessity for the Exchanges.

6. Upon closing, Citizens Telecommunications Company of Colorado is designated an Eligible Telecommunications Carrier, Eligible Provider, and provider of last resort for the Exchanges.

7. Upon closing, all of Qwest Corporation formerly known as U S WEST Communications, Inc.,s obligations with respect to the Exchanges, including its obligations as provider of last resort, Eligible Telecommunications Provider and Eligible Provider will terminate.

8. Qwest Corporation formerly known as U S WEST Communications, Inc., and Citizens Telecommunications Company of Colorado are hereby granted waivers of Rules 4 Code of Colorado

Regulations 723-1-57 and 4 Code of Colorado Regulations 723-36 of the Commission's Rules of Practice and Procedure governing abandonment, discontinuance, or curtailment of service, to the extent such rules are applicable.

9. Qwest Corporation formerly known as U S WEST Communications, Inc., and Citizens Telecommunications Company of Colorado are hereby granted waivers of Rule 4 Code of Colorado Regulations 723-2-25 governing the change of presubscription, to the extent such rule is applicable.

10. Qwest Corporation formerly known as U S WEST Communications, Inc., and Citizens Telecommunications Company of Colorado are hereby granted waivers of Rules Code of Colorado Regulations 723-35-6.1.1 and 4 Code of Colorado Regulations 723-42-7.2.2 governing the filing of a metes and bounds description of the area within which the subject exchanges are located.

11. The Commission hereby states that it does not object to the Federal Communications Commission granting any necessary study area waivers, nor to any reconfiguration of study area boundaries for the Exchanges.

12. Citizens Telecommunications Company of Colorado and Qwest Corporation formerly known as U S WEST Communications, Inc., are authorized to make individual compliance filings as described in this Recommended Decision to become effective on not less than one day's notice.

13. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.

14. As provided by §40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

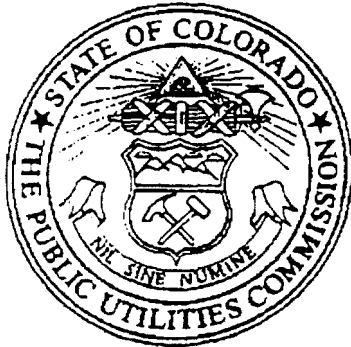
a. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the recommended decision shall become the decision of the Commission and subject to the provisions of §40-6-114, C.R.S.

b. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in §40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

15. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO



ATTEST: A TRUE COPY

Bruce N. Smith
Director

WILLIAM J. FRITZEL

Administrative Law Judge

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE JOINT)	
APPLICATION OF U S WEST)	
COMMUNICATIONS, INC. AND)	
CITIZENS TELECOMMUNICATIONS)	
COMPANY OF COLORADO)	DOCKET NO. 00A-128T
REGARDING THE SALE AND)	
TRANSFER OF CERTAIN)	
TELEPHONE EXCHANGES)	

STIPULATION AND AGREEMENT IN SETTLEMENT AND
RESOLUTION OF PROCEEDINGS

I. INTRODUCTION

Citizens Telecommunications Company of Colorado ("CTC-Colorado"), U S WEST Communications, Inc. ("USWC"), the Staff of the Colorado Public Utilities Commission ("Staff") and the Colorado Office of Consumer Counsel ("OCC"), hereinafter referred to individually as a "Party" and collectively as the "Parties," hereby state that they have resolved by settlement all outstanding issues that were or could have been contested among the Parties in the above-captioned proceeding.

Each Party to this Agreement pledges its support of this Agreement and states that each will defend the settlement reached. For those Parties hereto for whom this Agreement is executed by counsel, such counsel states that (s)he has authority to execute this Agreement on behalf of his/her client.

II. BACKGROUND

On June 16, 1999, USWC and Citizens Utilities Company ("CUC"), CTC-Colorado's parent company, entered into a series of Purchase Agreements in which USWC agreed to sell, and CUC agreed to purchase, certain USWC properties in nine states with a total of approximately 530,000 access lines. The Colorado Purchase Agreement, as later amended, between CUC and USWC calls for the purchase by CUC of 17 exchanges with approximately 45,000 access lines within the State of Colorado. The Colorado Purchase Agreement further contemplates that CUC will assign to CTC-Colorado all of its rights under the Colorado Purchase Agreement.

On March 8, 2000, CTC-Colorado and USWC filed a joint application and accompanying exhibits (including supporting direct testimony and exhibits) (hereinafter collectively referred to as "Joint Application") seeking an Order from the Colorado Public Utilities Commission ("Commission") granting various approvals in connection with the sale and transfer to CTC-Colorado of the telecommunications properties that are the subject of the Colorado Purchase Agreement.

On March 14, 2000, the Commission issued its Notice of that filing by CTC-Colorado and USWC. The Commission's Notice established, among other things, procedural dates for interventions, the filing of answer testimony and the commencement of hearings. On April 13, 2000 and May 4, 2000, respectively, the OCC and Staff submitted their individual notices of intervention and requests for hearing in this matter.